

Message Text

LIMITED OFFICIAL USE

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ACTION STR-07

INFO OCT-01 ARA-10 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 /115 W
-----008347 232347Z /72

P R 232237Z FEB 78
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 8881
USMISSION GENEVA PRIORITY
INFO AMEMBASSY CARACAS
AMEMBASSY BOGOTA
AMEMBASSY QUTIO
AMEMBASSY LAZ

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FOR: STR,USMTN

E.O. 11652: N/A
TAGS: ETRD, MTN
SUBJECT: DEVELOPING COUNTRIES IN THE MULTILATERAL TRADE NEGOTIATIONS

REF: A. STATE 24987 B. LIMA 1162

1. SUMMARY. IN FOLLOW UP TO CONVERSATION REPORTED REF B,
CHARGE, ACCOMPANIED BY ECON OFF, CALLED FEB. 21 ON VICE
MINISTER OF COMMERCE, WILLY BEZOLD, TO REEMPAHSIZE POINTS
TRANSMITTED REF A. AND TO INQUIRE REGARDING PERUVIAN VIEWS
AND COURSE OF ACTION IN CURRENT MTN STAGE.BEZOLD WAS
ACCOMPANIED BY INDUSTRY/COMMERCE MINISTRY OFFICIALS, VICTOR
JOY WAY, CHIEF, OFFICE OF INTERNATIONAL COMMERCE, AND
RICARDO CUBAS, OFFICE OF INTERNATIONAL NEGOTIATIONS.
PERJVIANs GAVE IMPRESSION THAT THEY ARE GIVING SERIOUS
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EXAMINATION TO US REQUESTS AND IN GENRAL ARE TAKING
REALISTIC APPROACH TO MTN. END SUMMARY.

2. CUBAS OPENED DISCUSSION BY NOTING THAT GOP FELT
OUTCOME OF TROPICAL PRODUCTS NEGOTIATION HAD NOT
BEEN AS BENEFICIAL TO PERU AS HAD BEEN HOPED PRIOR TO
THE NGOTIATIONS NEVERTHELESS, IN VIEW OF THE USG'S

ANNOUNCED INTENTION TO BE AS FORTHCOMING AS POSSIBLE DURING THE CURRENT STAGE OF MTN, PERU HAS PREPARED NW LIST OF PRODUCTS (INCLUDING ITEMS ALREADY PRESENTED IN TROPICAL PRODUCT NEGOTIATION) WHICH IT BELIEVES IS REALISTIC AND DESRVES SERIOUS CONSIDERATION. CUBAS SAID LIST WILL BE TRANSMITTED TO PERUVIAN MTN DEL IN NEXT DAY OR TWO. LIST, WHICH CUBAS PROVIDED TO CHARGE, IS TRANSMITTED IN PARA 8 BELOW.

3. WITH RESPECT TO US REQUESTS AT MTN, CUBAS NOTED THAT PERU'S CURRENT ECONOMIC SITATUION MAKES IT DIFFICULT FOR GOP TO ADOPT MEASURES PERMITTING INCREASED IMPORTS THAT WOULD RESULT IN OUTFLOW OF FOREIGN EXCHANGE. THIS, OF COURSE, IMPEDES PERU'S GENERAL ABILITY TO BE VERY FORTHCOMING IN MTN AT PRESENT TIME. REFERRING TO US REQUESTS ON TARIFF REDUCTION, CUBAS POINTED OUT THAT ANDEAN PACT COORDINATION IN MTN LIMITS EXTENT TO WHICH GOP CAN LOWER TRARIFFS. PERU CANNOT REDUCE ITS TARIFFS BELOW THE PACT'S COMMON MINIMUM EXTERNAL TARIFF (CMXT), BUT, CUBAS STATE, GOP IS WILLING TO REVIEW TARIFFS ON PRODUCTS OF INTEREST TO US TO SEE IF SOME CAN BE REDUCED DOWN TO PTHE PACT'S CMXT. HE GAVE SOME INDICATION THAT PERU MIGHT BE MORE FORTHCOMING ON IMPORTS FROM US OF FRESH APPLES AND PEARS, IF IT CAN BE WORKED OUT WITHIN ANDEA PACT, BUT HE WAS VERY NEGATIVE ON CHANGES TO PERMIT HIGHER CIGARETTE IMPORT. CUBAS ALSO ASKED IF US COULD PROVIDE LIMITED OFFICIAL USE

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GREATER DETAIL ON THE SPECIFIC TARIFF REDUCTIONS IT WOULD LIKE ON PRODUCT LISTS IT HAS PRESENTED IN GENEVA.

4. WITH RESPECT TO NON-TRAIFF MEASURES, BEZOLD CLAIMED THAT PERU EITHER HAS ALREADY TAKEN STEPS OR IS ABOUT TO TAKE STEPS THAT WILL LIBERALIZE IMPORTATION INTO PERU. HE POINTED SPECIFICALLY TO THE ELIMINATION OF BOTH THE PRIOR IMPORT LICENSES AND THE SYSTEM OF FOREIGN EXCHANGE MASSIGNMENT AS LIBERALIZEING ACTIONS ALREADY TAKEN WHICH THE US SHOULD ACKNOWLEDGE. HE ALSO CLAIMED THAT THE GOP IS PREPARING NEW LEGISLATION THAT WOULD GREATLY EXPAND THE LIST OF GOODS OPEN TO IMPORT INTO PERU. THIS WOULD BE PARTICULARLY BENEFICIAL TO US, BEZOLD SAID, SINCE US IS MAJOR EXPORTER OF MANY OF ITEMS WHICH WILL BE ON LIST. BEZOLD DID NOT GIVE SPECIFIC DATE WHEN LEGISLATION WILL BE READY, BUT INDICATED IT WILL PROBABLY BE WITHIN A FEW MONTHS AND CERTAINLY DURING THIS YEAR.

5. CUBAS NOTED THAT CERTAIN US REQUESTS RE NON-TARIFF MEASURES (E.G. MARTIME TAX AND STATISTIC) ARE BASED ON REGULATIONS WHICH HE CLAIMED ARE NO LONGER IN EFFECT. HE SAID THAT IF US EXPORTERS TO PERU STILL ENCOUNTER THESE

MEASURES THEY SHOULD INFORM GOP IN EACH CASE AND HIS OFFICE WILL INVESTIAGE. SIMILARLY, HE SAID GOP IS WILLING TO BE HELPFUL REGARDING COMPLETING PERUVIAN IMPORT DOCUMENTS TO AVOID PENALTY CHARGES TO EXPORTERS FOR ERRORS IN DOCUMENTATION.

6. PERUVIANS AKSED FOR CLARIFICATION ON MAXIMUM US AUTHORITY UNDER 1974 TRADE ACT SO THAT THEY WOULD NOT BE FORMULTING REQUEST TO WHICH WE HAD NO LEGAL AUTHORITY TO RESPOND. WE SUGGESTED THEY RAISE THIS BILATERALLY IN GEN-EVA. WE ASKED WHY NO MANUFACTURED PRODUCTS WERE INCLUDED IN THE REQUEST LISTS (PARA 8) SINCE PERU HAS BEEN VERY SUCCESSFUL IN THEPAST YEAR IN PROMOTING SUCH "NON-TRADITIONAL" EXPORTS. THEY RESPONDED THAT SUCH PRODUCTS EITHER ALREADY BENEFITTED FROM GSP OR WERE PRDOMINANTLY SUPPLIED BY OTHER LIMITED OFFICIAL USE

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COUNTRIES WHO WERE EXPECTED TO CARRY THE BALL IN GENEVA.

7. ONRECIPRCITY IN THE MTN, THE PERUVIANS STATED THAT THEY EXPECTED TO GRANT SOME CONCESSIONS TO PERMIT IMPORTATION OF PRODUCTS THAT ARE NEEDED FOR PERU'S DEVELOPMENT EFFORTS, BUT PERU SHOULD NOT BE EXPECTED TO PEN ITS MARKET TO NON-ESSENTIAL AND LUXUARY ITEMS. CHARGE RESPONDED THAT US DOES NOT EXPECT FULL RECIPROCITY BUT AHT IT IS IMPORTANT THAT PERU PUT FORWARD SOME SPECIFIC OFFERS AT THIS TIME IN ORDER FOR THE USG TO GIVE MAXIMUM CONSIDERATION TO PERUVIAN TRADE INTERESTS.

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8. FOLLOWING IS LIST OF ITEMS PROVIDED EMBASSY BY COMMERCE
MINISTRY WHICH PERU PLANS TO PRESENT IN MTN.

A. ITEMS WHICH PERU WOULD LIKE INCLUDED IN GSP

BTN	TSUS	SARDINES, IN CONTAINERS	RATES OF
		WEIGHTING WITH THEIR	DUTY
		CONTENTS NOV OVER 15	6.25 PCT A.V.
		POUNDS EACH, OTHER	

112.42.00	BONITO, PREPARED OR PRE-	7.5 PCT A.V.
	SERVED IN ANY MANNER, IN OIL,	
	IN AIRTIGHT CONTAINERS.	

07.04	140.30.00	GARLIC, DRIED, DESICCATED	35PCT A.V.
		OR DEHYDRATED.	

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20.02	141.81.50	ASPARAGUS, PACKED IN SALT	17.5PCT A.V.
		OR DEHYDRATED.	

17.01	155.12.00	SUGAR CANE	5.513CENTS/LB
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53.05	307.50.00	HAIR OF THE ALPACA,	27.75CENTS/LB
		TOPS	PLUS 6.25PCT A.V.

24.01	170.40.00	FILLER TOBACCO LEAF,	
		INCLUDING CIGAR NOT STEMMED,	
		NSPF	16.1CENTS/LB

28.04	632.48	TELLURIUM UNWROUGHT, EXCEPT	
		ALLOY; AND WASTE AND SCRAP	4 PCT A.V.

55.01	300.15	COTTON, NOT CARDED, NOT	3.5CENTS/LB
		COMBED, ETC. HAVING A STAPLE	
		LENGTH 1 - 1/18 OR MORE BUT	
		UNDER 1 - 11/16 INCHES.	

55.01	300.20	COTTON, NOT CARDED, NOT	1.75CENTS/LB
		COMBED, ETC. HAVING A STAPLE	

LENGTH 1 - 11/16 INCHES OR MORE.

55.05 301.50 YARNS OF COTTON, NOT 11.24CPT A.V.
BLEACHES, NOT MERCERISED, THRU 12.68PCT
NOT COLORED, NOT COMBED, AND
NOT PLIED. NUMBERS 50, 51,
52, 53, 54, 56, 57, 58 AND
59. (FROM 301.50 TO 301.59).

B. ITEMS WHICH PERU WOULD LIKE TO RECEIVE MOST FAVORED
NATION TREATMENT (OPTIMALLY REDUCING DUTY TO 0).
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BTN	TSUS		RATE OF DUTY
07.05	140.25	BLACK EYE COW PEAS	0.37CENTS/LB
53.02	306.52	HAIR OF THE ALPACA, SORTED	3CENTS/CLEAN LB
53.02	306.53	HAIR OF THE ALPACA, SCOURED	4CENTS/CLEAN LB
74.08	613.15	COPPER FITTINGS	0.6CENTS/LB PLUS 11PCT A.V.
81.04	628.50	INDIUM, WROUGHT	9 PCT A.V.

9. CUBAS TELEPHONED ECONOFF FEB 22 TO REQUEST MOST
RECENT U.S. FOREIGN TRADE DATA. HE EXPLAINED THAT HIS
OFFICE WANTS TO CHECK TO SEE IF THERE ARE ADDITIONAL U.S.
EXPORTS FOR WHICH PERU COULD REASONABLE MAKE CONCESSIONS
IN THE MTN, AS WELL AS ADDITIONAL PRODUCTS WHICH PERU
COULD REASONABLY INCLUDE IN ITS REQUEST LIST. WE HAVE
MADE LATEST TRADE STATISTICS AVAILABLE TO CUBAS AND HIS STAFF.

10. COMMENT: COMMERCE MINISTRY OFFICIALS, ESPECIALLY
CUBAS, APPEARED WELL PREPARED FOR MEETING AND SEEMED
GENUINELY INTERESTED IN SEEING PROGRESS IN MTN. THEY ALSO
GAVE IMPRESSION THAT THEY BELIEVE U.S. IS SINCERE IN ITS
DESIRE TO IMPROVE EXPORT OPPORTUNITIES FOR LDC'S. IN VIEW
FREQUENT GOP MILITANT, RHETORICAL STAND IN MULTILATERAL
FORUMS, WE FEEL IT WOULD BE USEFUL TO ENCOURAGE THIS PRAGMATIC
APPROACH TO THE MTN BY SEEKING OUT FURTHER BILATERAL DISCUSSIONS
IN GENEV. IF PERUVIAN GENEVA DEL IS NOT RESPONSIVE WE CAN
COMMUNICATE THIS BACK TO MINISTRY OF COMMERCE IN LIMA.
WE ALSO NOTE THAT IN VIEW GENERAL USG SUPPORT FOR EFFORTS
OF GOP TO OVERCOME CURRENT ECONOMIC CRISIS, ANY US
CONCESSIONS TO HELP PERUVIAN EXPORTS WOULD HAVE POSITIVE
PSYCHOLOGICAL AS WELL AS ECONOMIC IMPACT ON SITUATION HERE.
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DECON 2/23/79.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Concepts: NEGOTIATIONS, PREFERENTIAL TARIFFS
Control Number: n/a
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Draft Date: 23 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
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TAGS: ETRD, PE, MTN
To: STATE GENEVA
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vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/ff619ed1-c288-dd11-92da-001cc4696bcc
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